

Appendix A.

Explanation of Terms

SALES, RECEIPTS, REVENUE, SHIPMENTS, OR VALUE OF BUSINESS DONE

General Definition

Includes the total sales, receipts, revenue, shipments, or value of business done by establishments within the scope of the economic census. The definition of each of these items is included in the information provided below.

Figures may contain duplication since products of some industries are used as materials for others and work (and receipts) of one firm may be subcontracted to other firms and included in the other firm's receipts.

Sector-Specific Information

Accommodation and Food Services sector. Includes sales from customers for services rendered from the use of facilities and from merchandise sold. Also includes dues and assessments from members and affiliates.

Sales do not include carrying or other credit charges; sales (or other) taxes collected from customers and forwarded to taxing authorities; and gross sales and receipts of departments or concessions operated by other companies.

Excludes sales from civic and social organizations, amusement and recreation parks, theaters, and other recreation or entertainment facilities providing food and beverage services.

Construction sector. Includes the value of construction work done during the year for construction work performed by general contractors and special trade contractors. Included are receipts for new construction, additions and alterations or reconstruction, maintenance, repairs, and service work. Also included is the value of any construction work done by the reporting establishments for themselves and the amounts received for work even though work may have been subcontracted to others.

Construction establishments were instructed to include the value of buildings and other structures built and sold during 2002, excluding the value of underdeveloped land, but including the value of any improvements an establishment made to the land. They were to include the costs of labor materials, overhead, and profit.

Establishments engaged in the sale and installation of such construction components as plumbing, heating, and central air-conditioning supplies and equipment; lumber and building materials; paint, glass, and wallpaper; electrical and wiring supplies; and elevators or escalators were instructed to include both the value for the installation and the receipts covering the price of the items installed. Receipts for construction equipment rental (except crane) with operator, are also included.

Excluded were receipts for separately definable architectural and engineering work done by the reporting establishment for others. Also excluded was the cost of industrial and other specialized machinery and equipment, which are not an integral part of a structure.

Finance and Insurance sector. Includes revenue from all business activities, whether or not payment was received in the census year, including commissions and fees from all sources, rents, net investment income, interest, dividends, royalties, and net insurance premiums earned. Revenue from leasing property marketed under operating leases is included, as well as interest earned from property marketed in the census year under capital, finance, or full payout leases. Revenue also includes the total value of service contracts and amounts received for work subcontracted to others.

Revenue does not include sales and other taxes collected from customers and forwarded to taxing authorities.

Information; Professional, Scientific, and Technical Services; Management of Companies and Enterprises; Administrative and Support and Waste Management and Remediation Services; Educational Services; Health Care and Social Assistance; Arts, Entertainment, and Recreation; and Other Services (Except Public Administration) sectors.

Includes receipts from customers or clients for services rendered, from the use of facilities and from merchandise sold whether or not payment was received. For advertising agencies, travel industries, and other service establishments operating on a commission basis, receipts include commissions, fees, and other operating income, NOT gross billings and sales. Excise taxes on gasoline, liquor, tobacco, etc., which are paid by the manufacturer or wholesaler and passed on in the cost of goods purchased by the service establishment are also included.

The establishments share of receipts from departments, concessions, and vending and amusement machines operated by others are included as part of receipts. Receipts also include the total value of service contracts; market value of compensation received in lieu of cash; amounts received for work subcontracted to others; and services provided to foreign customers, foreign parent firms, subsidiaries, and branches.

Receipts do not include sales (or other) taxes collected from customers and forwarded to taxing authorities, nor do they include income from such sources as contributions, gifts, and grants; dividends, interests, and investments; or sale or rental of real estate. Also excluded are receipts (gross) of department and concessions that are operated by others; sales of used equipment rented or leased to customers; domestic intracompany transfers, receipts of foreign subsidiaries; and other nonoperating income, such as royalties, franchise fees, etc.

Manufacturing sector. Covers the net selling value f.o.b. plant (exclusive of freight and taxes), to the customer after discounts and allowances for all products shipped, including receipts for contract work performed for others on their materials, miscellaneous receipts for sales of scrap and refuse, repair and sales of products bought and resold without further processing. Included is the value of products transferred to other plants of the same company. The net selling value of products made in one plant on a contract basis from materials owned by another was reported by the plant providing the materials.

Real Estate and Rental and Leasing sector. Includes revenue from all business activities, whether or not payment was received in the census year, including commissions and fees from all sources, rents, net investment income, interest, dividends, and royalties. Revenue from leasing property marketed under operating leases is included. Revenue also includes the total value of service contracts, amounts received for work subcontracted to others, and rents from real property sublet to others.

Revenue does not include sales and other taxes collected from customers and forwarded to taxing authorities.

Retail and Wholesale trades. Includes sales of merchandise or products sold for cash or credit by establishments primarily engaged in retail and wholesale trades; receipts for delivery, installation, maintenance, and repair of merchandise or products sold; and actual sales value of the merchandise or products sold rather than commissions received for retailers and wholesalers selling merchandise on a consignment or commission basis.

Sales are net after deductions for refunds and allowances for merchandise returned by customers. Trade-in allowances are not deducted from sales. Sales include income from business activities classified in a major category other than the one assigned to the establishment; e.g., wholesalers may have receipts from sales at retail, and similarly, retailers may have receipts from sales at wholesale.

Sales do not include carrying or other credit charges; value of returned goods; sales (or other) taxes collected from customers and forwarded to taxing authorities; gross retail sales and receipts of departments or concessions operated by other companies; commissions from vending machine operations; nor nonoperating income from such sources as investments, rental or sales of real estate.

Transportation and Warehousing sector. Includes revenue from all business activities, whether or not payment was received, including commissions and fees for arranging the transportation of freight.

Revenue does not include sales and other taxes collected from customers and forwarded to taxing authorities.

Utilities sector. Includes revenue from all business activities, whether or not payment was received in the census year.

Revenue does not include sales and other taxes collected from customers and forwarded to taxing authorities.

ESTABLISHMENTS

General Definition

An establishment is a single physical location at which business is conducted and/or services are provided. It is not necessarily identical to a company or enterprise, which may consist of one establishment or more. Economic census figures represent a summary of reports for individual establishments rather than companies. For cases where a census report was received, separate information was obtained for each location where business was conducted. When administrative records of other federal agencies were used instead of a census report, no information was available on the number of locations operated. Each economic census establishment was tabulated according to the physical location at which the business was conducted. The count of establishments represents those in business at any time during 2002.

When two activities or more were carried on at a single location under a single ownership, all activities generally were grouped together as a single establishment. The entire establishment was classified on the basis of its major activity and all data for it were included in that classification. However, when distinct and separate economic activities (for which different industry classification codes were appropriate) were conducted at a single location under a single ownership, separate establishment reports for each of the different activities were obtained in the census.

Sector-Specific Information

Construction sector. Establishments are defined as a relatively permanent office or other place of business where the usual business activities related to construction are conducted. Establishments do not represent each project or construction site. Includes all establishments that were in business at any time during the year. It covers all full-year and part-year operations. Construction establishments that were inactive or idle for the entire year were not included.

Manufacturing sector. Includes establishments (plants) primarily engaged in manufacturing, processing and assembling component parts of products.

Retail trade. Includes establishments primarily engaged in selling merchandise for personal or household consumption and in rendering services incidental to the sale of the goods. Leased retail departments located in service establishments (e.g., a gift shop located in a hotel) are considered separate retail establishments.

Utilities; Transportation and Warehousing; Information; Finance and Insurance; Real Estate and Rental and Leasing; Professional, Scientific, and Technical Services; Management of Companies and Enterprises; Administrative and Support and Waste Management and Remediation Services; Educational Services; Health Care and Social Assistance; Arts, Entertainment, and Recreation; Accommodation and Food Services; and Other Services (Except Public Administration) sectors. Includes establishments primarily engaged in providing a wide variety of services to individuals, businesses, government establishments, and other organizations. Leased service departments (separately owned businesses operated as departments or concessions of other service establishments or of retail businesses, such as a separately owned shoeshine parlor in a barber shop, or beauty shop in a department store) are treated as separate service establishments for census purposes.

Wholesale trade. Includes wholesale establishments selling merchandise at wholesale to retailers, industrial, institutional, and other nonhousehold consumers.

FIRMS

A firm is a business organization or entity consisting of one domestic establishment (location) or more under common ownership or control. All establishments of subsidiary firms are included as part of the owning or controlling firm. For the economic census, the terms “firm” and “company” are synonymous.

ANNUAL PAYROLL

Payroll includes all forms of compensation, such as salaries, wages, commissions, dismissal pay, bonuses, vacation allowances, sick-leave pay, and employee contributions to qualified pension plans paid during the year to all employees. For corporations, payroll includes amounts paid to officers and executives; for unincorporated businesses, it does not include profit or other compensation of proprietors or partners. Payroll is reported before deductions for social security, income tax, insurance, union dues, etc. This definition of payroll is the same as that used by the Internal Revenue Service (IRS) on Form 941.

FIRST-QUARTER PAYROLL

Represents payroll paid to persons employed at any time during the quarter January to March 2002, before deductions.

EMPLOYEES

Paid employees consist of full- and part-time employees, including salaried officers and executives of corporations. Included are employees on paid sick leave, paid holidays, and paid vacations; not included are proprietors and partners of unincorporated businesses. The definition of paid employees is the same as that used on IRS Form 941.

Sector-Specific Information for Puerto Rico only

Construction and manufacturing sectors: Comprises the average number of full- and part-time employees on the payroll of manufacturing or construction establishments. The average is calculated by adding the number of employees reported for the pay periods including the 12th of March, May, August, and November, and dividing by 4 plus other employees, which include employees in executive, purchasing, accounting, personnel, professional, and technical activities, and routine office functions, who worked during the pay period including March 12th.

PROPRIETORS AND PARTNERS WORKING

Proprietors and partners of an unincorporated business that worked 15 or more hours during the week of March 12, 2002.

UNPAID FAMILY WORKERS

Unpaid family workers consist of family members of unincorporated businesses who worked 15 hours or more during the week, which included March 12, 2002.